



Homeownership Program Bulletin

January 29, 2003

Program Bulletin #2003-03

To: CalHFA Approved Lenders

CALIFORNIA HOMEBUYER'S DOWNPAYMENT ASSISTANCE PROGRAM (CHDAP)

In support of the Governor's initiative to stimulate the California housing market and generate jobs, the California Housing Finance Agency (CalHFA) will release \$50 million as the first phase of the California Homebuyer's Downpayment Assistance Program (CHDAP), Proposition 46 funds on January 29th, 2003. Additionally, the agency is earmarking fifty percent (50%) of the first phase of CHDAP funds for new construction loans and the remaining fifty percent (50%) for resale loans. The CalHFA funds along with the \$180 million scheduled to be released by the California Department of Housing and Community Development (HCD) will meet the Governor's \$230 million housing stimulus target for January 2003.

Effective immediately, CHDAP is available to provide qualified first-time homebuyers with a deferred payment junior loan to help with downpayment and closing costs.

Program Description

The downpayment assistance will be in the form of a deferred-payment junior loan of an amount up to the lesser of three percent (3%) of the purchase price or appraised value. Homebuyers are able to use these funds to help with their downpayment and closing costs without the need to make monthly payments on the loan. Interest will be calculated at 3% simple interest. The assistance may be combined with any CalHFA or non-CalHFA conventional or government first mortgage loan. CHDAP gives the homebuyer maximum flexibility and also allows the borrower to use first mortgage funds offered by any primary mortgage home loan program offered by CalHFA-approved lenders. Additionally, if homebuyers are using a CalHFA first mortgage, they may combine the assistance with a California Housing Assistance Program (CHAP) loan, and with other downpayment assistance programs offered by local government agencies and non-profit organizations, if the subordinate program is pre-approved by CalHFA's bond counsel. The CHDAP loan cannot be combined with loans under CalHFA's Extra Credit Teacher Program and the Homeownership in Revitalization Areas Program (HIRAP).

Borrower Eligibility

1. Borrowers must be first-time homebuyers, who are defined as persons who have not had an ownership interest in their primary residence during the previous three (3) years. Generally, eligibility is determined from IRS 1040s, IRS documents or affidavits for the previous three (3) years.

2. Borrower's income cannot exceed CalHFA-CHDAP published moderate-income limits for CHDAP junior loans adjusted for family size and county throughout California. (See Attachment for current HCD Moderate Income Limits.) Income limits are subject to change and will be announced to CalHFA-approved Lenders when applicable. The income limits for CHDAP are different from CalHFA's first mortgage program. Therefore, if the CHDAP junior loan is combined with a CalHFA first loan, the more restrictive income limits will apply.
3. Eligible homebuyers must be purchasing a home intended to be occupied as their primary residence.
4. Borrowers must also meet all first mortgage eligibility requirements according to the Lender, investor, mortgage insurer, or guarantor criteria. A copy of the underwriter's approval of the first loan must be included in the submission package. When using CalHFA first mortgage financing, borrowers must meet standard CalHFA Homeownership Program requirements.

Property Eligibility

1. CalHFA maximum sales price limits are applicable. Sales price limits are those published by CalHFA for the Homeownership Program and changed periodically by Program Bulletin. Sales price limits are also posted on CalHFA's web site. See attachment for the current Sales Price Limits.
2. Single-family, 1-unit residence (SFR), including condo/PUD's
3. A manufactured house on a permanent foundation is allowed.

Loan Terms

1. Maximum loan amount: The lesser of three percent (3%) of the purchase price or appraised value.
2. Interest rate: Three percent (3%) per annum simple interest for the term of the loan
3. Term: Cannot exceed the term of the first mortgage or 30-year maximum, whichever is less.
4. Monthly payments: Not required, but borrowers may repay the principal and accrued interest at any time. Partial payments may be made provided such payments are not less than one-hundred dollars (\$100).
5. Repayment: The entire principal and accrued interest will be due upon any of the following events:
 - o Sale of the home
 - o Transfer of title
 - o Refinance of the senior loan(s)
 - o Upon the formal filing and recording of a Notice of Default (unless rescinded)
 - o At the end of the term (not to exceed the term of the first mortgage or 30-year maximum, whichever is less)
6. Restrictions: The CalHFA Extra Credit Teacher Program (ECTP) and Homeownership in Community Revitalization Areas Program (HIRAP) cannot be used in conjunction with CHDAP.

Loan Processing and Purchase Documentation Procedures

Loan Reservation

CalHFA's first phase of CHDAP funds will be available on a first-come, first serve basis, with \$25 million for downpayment assistance earmarked for the acquisition of new homes and \$25 million for downpayment assistance for the acquisition of existing homes. Reservations will be taken until funds in each category are fully reserved.

Reservations for the CHDAP junior mortgage loans must be made by CalHFA-approved lenders only through CalHFA's Lender Access System (LAS). LAS offers lenders a menu of options for a reservation either with a combination of CalHFA financing or a single reservation for a CHDAP junior loan being used with non-CalHFA financing. Input requires the amount of the first and/or first and second loans, as well as the amount of the CHDAP loan, which must not exceed the lesser of three percent (3%) of the purchase price or appraised value.

CalHFA-approved lenders may reserve CHDAP loan funds for 90 days for existing resale and 180 days for newly constructed homes (not previously occupied) on behalf of qualified homebuyers (refer to CalHFA Program Bulletin #2003-02 for additional information). Delivery of the loan for approval and purchase must be made within the 90/180 day reservation period as applicable. CalHFA will cancel the reservation after 90/180 days if the loan has not been delivered for purchase by that date. Lenders may submit a second reservation for canceled reservations provided funds are available for the program.

Submitting the Loan for Conditional Approval

Once the reservation has been made and confirmed by CalHFA under a CHDAP unique reservation number by CalHFA, the lender will be required to submit the loan file in the stacking order attached called "CHDAP Required Documents For Loan Approval" (this attachment is also available on CalHFA's web site at www.calhfa.ca.gov) for review and approval. The submission file should be clearly marked "CHDAP" on the outside cover of the loan file.

If a CalHFA first mortgage loan is used with the CHDAP junior mortgage loan, CalHFA will review and approve both the CalHFA first and CHDAP junior mortgages simultaneously, and only one loan file is necessary, except when the first loan is insured by CalHFA's Mortgage Insurance Services (previously referred to as CaHLIF), then two files are necessary. CalHFA's conditional approval will indicate the approval and amount accepted for the CHDAP loan.

When a non-CalHFA first mortgage is used, the lender's first loan approval must be included in the submission package, and CalHFA's CHDAP approval is only for the amount accepted for the CHDAP junior mortgage loan. CalHFA reserves the right to review the underwriting and evaluation decisions made by the Lender.

Lenders must use the CHDAP Promissory Note and Deed of Trust dated January 29, 2003 (both attached) for CHDAP junior mortgage loans. Copies of CHDAP Note and Deed of Trust may also be printed from CalHFA's web site.

Submitting the Loan(s) for Purchase

After loan closing, the Lender must:

1. Within 90/180 days, as applicable, of the reservation date of the first mortgage, the Lender will forward to the Agency the following subordinate purchase documents:
 - a. Subordinate Financing Mortgage Submission Voucher Part II (Subordinate MSV-Part II) which has been updated and attached hereto. By executing the Subordinate MSV-Part II, Lender certifies that all of the Agency Loan requirements named therein have been met.
 - b. Original and full copy of CalHFA Subordinate Promissory Note showing California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California, as Lender/Beneficiary, which has been executed by all borrowers. (Any co-signor required to

- sign the first promissory note must also sign all CalHFA subordinate notes.)
- c. Lender or Title Company certified copy of the subordinate Deed of Trust showing California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California, as Lender/Beneficiary and Trustee and instructing the County Recorder to forward the original deed of trust directly to CalHFA, Homeownership Programs, Subordinate Loan Processing Unit at 1121 L Street, 7th Floor, Sacramento, CA 95814.
 - d. HUD Final Settlement Statement for each loan being submitted for purchase.
 - e. Copy of the final, CHDAP Truth-In-Lending Disclosure Statement signed by the borrower(s), if changes to the initial CHDAP Truth-In-Lending Disclosure were required.

An ALTA title insurance policy is not required on CHDAP subordinate loans. However, the title policy is still required on CalHFA first mortgages using CHDAP subordinate financing.

CalHFA will purchase only the outstanding principal balance of the CHDAP junior mortgage loan. Accrued interest will not be funded upon purchase of the loan by the Agency, since interest is deferred for the term of the mortgage. (See the paragraph titled "Compensation to Lenders" below.)

Program Approvals by FHA and Fannie Mae

FHA has previously approved the CHDAP junior loan for use in conjunction with FHA-insured first loans. In addition, Fannie Mae has previously approved this program for use with their Community Lending products (special feature codes 118; 074; 061; 121).

Servicing

CHDAP junior mortgages will be serviced directly by CalHFA's Loan Servicing Division due to the deferred payment loan structure, minimal servicing requirements and no servicing fee. At the time of loan purchase, CalHFA Loan Servicing will notify the borrower of the CHDAP mortgage loan number and provide instructions to the borrower regarding procedures for prepayments or loan payoffs to be made directly to CalHFA Loan Servicing.

Compensation to Lenders

Lenders are permitted to charge the borrower or seller an additional \$250 to process the CHDAP junior mortgage loan. The \$250 processing fee for the junior mortgage is to compensate lenders for all accrued interest from the date of recordation to date of purchase by CalHFA, plus cover the normal origination and processing costs for the CHDAP loan. CalHFA will not pay a service-release fee for the CHDAP junior mortgage loans since servicing fee income is not collected.

Lenders should note that in the "Mortgage Purchase and Servicing Agreement Article II", Loan Origination and Purchase, paragraph 5j is not applicable to CHDAP.

Questions regarding this bulletin should be directed to CalHFA, Homeownership Programs, at 1121 L Street, 7th Floor, Sacramento, CA 95814; by phone (916) 324-8088; by fax (916) 324-6589 by e-mail at homeownership@calhfa.ca.gov or visit CalHFA's website at: www.calhfa.ca.gov

Attachments

CALIFORNIA HOMEBUYERS DOWNPAYMENT ASSISTANCE PROGRAM (CHDAP)

<u>COUNTY/PERSONS</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
ALAMEDA	\$ 62,600	\$ 71,500	\$ 80,450	\$ 89,400	\$ 96,550	\$ 103,700	\$ 110,850	\$ 118,000
ALPINE	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
AMADOR	\$ 35,700	\$ 40,800	\$ 45,900	\$ 51,000	\$ 55,100	\$ 59,150	\$ 63,250	\$ 67,300
BUTTE	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
CALAVERAS	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
COLUSA	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
CONTRA COSTA	\$ 62,600	\$ 71,500	\$ 80,450	\$ 89,400	\$ 96,550	\$ 103,700	\$ 110,850	\$ 118,000
DEL NORTE	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
EL DORADO	\$ 48,150	\$ 55,000	\$ 61,900	\$ 68,750	\$ 74,250	\$ 79,750	\$ 85,250	\$ 90,750
FRESNO	\$ 33,850	\$ 38,700	\$ 43,500	\$ 48,350	\$ 52,200	\$ 56,100	\$ 59,950	\$ 63,800
GLENN	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
HUMBOLDT	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
IMPERIAL	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
INYO	\$ 35,350	\$ 40,400	\$ 45,450	\$ 50,500	\$ 54,550	\$ 58,600	\$ 62,600	\$ 66,650
KERN	\$ 33,850	\$ 38,700	\$ 43,500	\$ 48,350	\$ 52,200	\$ 56,100	\$ 59,950	\$ 63,800
KINGS	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
LAKE	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
LASSEN	\$ 34,500	\$ 39,450	\$ 44,350	\$ 49,300	\$ 53,250	\$ 57,200	\$ 61,150	\$ 65,100
LOS ANGELES	\$ 46,250	\$ 52,900	\$ 59,500	\$ 66,100	\$ 71,400	\$ 76,700	\$ 81,950	\$ 87,250
MADERA	\$ 33,850	\$ 38,700	\$ 43,500	\$ 48,350	\$ 52,200	\$ 56,100	\$ 59,950	\$ 63,800
MARIN	\$ 72,300	\$ 82,650	\$ 92,950	\$ 103,300	\$ 111,550	\$ 119,850	\$ 128,100	\$ 136,350
MARIPOSA	\$ 36,050	\$ 41,200	\$ 46,350	\$ 51,500	\$ 55,600	\$ 59,750	\$ 63,850	\$ 68,000
MENDOCINO	\$ 34,850	\$ 39,850	\$ 44,800	\$ 49,800	\$ 53,800	\$ 57,750	\$ 61,750	\$ 65,750
MERCED	\$ 33,100	\$ 37,850	\$ 42,550	\$ 47,300	\$ 51,100	\$ 54,850	\$ 58,650	\$ 62,450
MODOC	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
MONO	\$ 38,650	\$ 44,150	\$ 49,700	\$ 55,200	\$ 59,600	\$ 64,050	\$ 68,450	\$ 72,850
MONTEREY	\$ 45,200	\$ 51,650	\$ 58,100	\$ 64,550	\$ 69,700	\$ 74,900	\$ 80,050	\$ 85,200
NAPA	\$ 48,050	\$ 54,900	\$ 61,800	\$ 68,650	\$ 74,150	\$ 79,650	\$ 85,150	\$ 90,600
NEVADA	\$ 42,900	\$ 49,050	\$ 55,150	\$ 61,300	\$ 66,200	\$ 71,100	\$ 76,000	\$ 80,900
ORANGE	\$ 63,500	\$ 72,550	\$ 81,650	\$ 90,700	\$ 97,950	\$ 105,200	\$ 112,450	\$ 119,700
PLACER	\$ 48,150	\$ 55,000	\$ 61,900	\$ 68,750	\$ 74,250	\$ 79,750	\$ 85,250	\$ 90,750
PLUMAS	\$ 33,600	\$ 38,400	\$ 43,200	\$ 48,000	\$ 51,850	\$ 55,700	\$ 59,500	\$ 63,350
RIVERSIDE	\$ 42,250	\$ 48,300	\$ 54,300	\$ 60,350	\$ 65,200	\$ 70,000	\$ 74,850	\$ 79,650
SACRAMENTO	\$ 48,150	\$ 55,000	\$ 61,900	\$ 68,750	\$ 74,250	\$ 79,750	\$ 85,250	\$ 90,750
SAN BENITO	\$ 51,150	\$ 58,500	\$ 65,800	\$ 73,100	\$ 78,950	\$ 84,800	\$ 90,650	\$ 96,500
SAN BERNARDINO	\$ 42,250	\$ 48,300	\$ 54,300	\$ 60,350	\$ 65,200	\$ 70,000	\$ 74,850	\$ 79,650
SAN DIEGO	\$ 50,450	\$ 57,700	\$ 64,900	\$ 72,100	\$ 77,850	\$ 83,650	\$ 89,400	\$ 95,150
SAN FRANCISCO	\$ 72,300	\$ 82,650	\$ 92,950	\$ 103,300	\$ 111,550	\$ 119,850	\$ 128,100	\$ 136,350
SAN JOAQUIN	\$ 39,900	\$ 45,600	\$ 51,300	\$ 57,000	\$ 61,550	\$ 66,100	\$ 70,700	\$ 75,250
SAN LUIS OBISPO	\$ 42,250	\$ 48,300	\$ 54,300	\$ 60,350	\$ 65,200	\$ 70,000	\$ 74,850	\$ 79,650
SAN MATEO	\$ 72,300	\$ 82,650	\$ 92,950	\$ 103,300	\$ 111,550	\$ 119,850	\$ 128,100	\$ 136,350
SANTA BARBARA	\$ 47,700	\$ 54,500	\$ 61,350	\$ 68,150	\$ 73,600	\$ 79,050	\$ 84,500	\$ 89,950
SANTA CLARA	\$ 80,650	\$ 92,150	\$ 103,700	\$ 115,200	\$ 124,400	\$ 133,650	\$ 142,850	\$ 152,050
SANTA CRUZ	\$ 57,950	\$ 66,250	\$ 74,500	\$ 82,800	\$ 89,400	\$ 96,050	\$ 102,650	\$ 109,300
SHASTA	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
SIERRA	\$ 33,450	\$ 38,200	\$ 43,000	\$ 47,750	\$ 51,550	\$ 55,400	\$ 59,200	\$ 63,050
SISKIYOU	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
SOLANO	\$ 48,050	\$ 54,900	\$ 61,800	\$ 68,650	\$ 74,150	\$ 79,650	\$ 85,150	\$ 90,600
SONOMA	\$ 53,250	\$ 60,900	\$ 68,500	\$ 76,100	\$ 82,200	\$ 88,300	\$ 94,350	\$ 100,450
STANISLAUS	\$ 39,050	\$ 44,650	\$ 50,200	\$ 55,800	\$ 60,250	\$ 64,750	\$ 69,200	\$ 73,650
SUTTER	\$ 33,000	\$ 37,700	\$ 42,450	\$ 47,150	\$ 50,900	\$ 54,700	\$ 58,450	\$ 62,250
TEHAMA	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
TRINITY	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
TULARE	\$ 32,950	\$ 37,650	\$ 42,350	\$ 47,050	\$ 50,800	\$ 54,600	\$ 58,350	\$ 62,100
TUOLUMNE	\$ 34,700	\$ 39,650	\$ 44,600	\$ 49,550	\$ 53,500	\$ 57,500	\$ 61,450	\$ 65,400
VENTURA	\$ 62,750	\$ 71,700	\$ 80,700	\$ 89,650	\$ 96,800	\$ 104,000	\$ 111,150	\$ 118,350
YOLO	\$ 47,900	\$ 54,700	\$ 61,550	\$ 68,400	\$ 73,850	\$ 79,350	\$ 84,800	\$ 90,300
YUBA	\$ 33,000	\$ 37,700	\$ 42,450	\$ 47,150	\$ 50,900	\$ 54,700	\$ 58,450	\$ 62,250

HOMEOWNERSHIP PROGRAM SALES PRICE LIMITS

County	<u>NEW CONSTRUCTION</u>		<u>RESALE</u>	
	Non-Targeted	Targeted	Non-Targeted	Targeted
Alameda	\$ 436,275	\$ 533,225	\$ 323,524	\$ 395,418
Alpine	\$ 169,109	None	\$ 157,254	None
Amador	\$ 169,109	None	\$ 148,106	None
Butte	\$ 198,540	\$ 242,660	\$ 128,327	\$ 156,845
Calaveras	\$ 169,109	None	\$ 143,915	None
Colusa	\$ 169,109	None	\$ 143,915	None
Contra Costa	\$ 436,275	\$ 533,225	\$ 323,524	\$ 395,418
Del Norte	\$ 169,109	None	\$ 143,915	None
El Dorado	\$ 260,614	\$ 318,528	\$ 183,261	\$ 223,985
Fresno	\$ 169,109	\$ 206,689	\$ 115,277	\$ 140,894
Glenn	\$ 169,109	None	\$ 143,915	None
Humboldt	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896
Imperial	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896
Inyo	\$ 169,109	None	\$ 169,502	None
Kern	\$ 169,109	\$ 206,689	\$ 98,521	\$ 120,415
Kings	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896
Lake	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896
Lassen	\$ 169,109	None	\$ 143,915	None
Los Angeles	\$ 314,223	\$ 384,051	\$ 252,968	\$ 309,183
Madera	\$ 169,109	\$ 206,689	\$ 115,277	\$ 140,894
Marin	\$ 537,793	None	\$ 554,104	None
Mariposa	\$ 169,109	None	\$ 143,915	None
Mendocino	\$ 169,109	\$ 206,689	\$ 198,830	\$ 243,014
Merced	\$ 178,999	\$ 218,777	\$ 143,915	\$ 175,896
Modoc	\$ 169,109	None	\$ 143,915	None
Mono	\$ 169,109	None	\$ 143,915	None
Monterey	\$ 341,216	\$ 417,042	\$ 342,417	\$ 418,509
Napa	\$ 317,648	\$ 388,236	\$ 224,704	\$ 274,638
Nevada	\$ 252,957	\$ 309,169	\$ 251,421	\$ 307,293
Orange	\$ 446,668	\$ 545,928	\$ 300,568	\$ 367,360
Placer	\$ 260,614	None	\$ 183,261	None
Plumas	\$ 169,109	None	\$ 143,915	None
Riverside	\$ 230,990	\$ 282,322	\$ 160,249	\$ 195,859
Sacramento	\$ 260,614	\$ 318,528	\$ 183,261	\$ 223,985
San Benito	\$ 391,433	None	\$ 327,240	None
San Bernardino	\$ 230,990	\$ 282,322	\$ 160,249	\$ 195,859
San Diego	\$ 359,927	\$ 439,911	\$ 274,714	\$ 335,762
San Francisco	\$ 537,793	\$ 657,103	\$ 554,104	\$ 677,238
San Joaquin	\$ 246,623	\$ 301,429	\$ 158,069	\$ 193,195
San Luis Obispo	\$ 282,740	\$ 345,571	\$ 270,671	\$ 330,821
San Mateo	\$ 537,793	None	\$ 554,104	None
Santa Barbara	\$ 251,972	\$ 307,966	\$ 270,970	\$ 331,186
Santa Clara	\$ 564,559	\$ 690,017	\$ 448,389	\$ 548,031
Santa Cruz	\$ 486,338	None	\$ 412,537	None
Shasta	\$ 169,109	\$ 206,689	\$ 118,372	\$ 144,676
Sierra	\$ 169,109	None	\$ 143,915	None
Siskiyou	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896
Solano	\$ 317,648	\$ 388,236	\$ 224,704	\$ 274,638
Sonoma	\$ 355,432	None	\$ 302,551	None
Stanislaus	\$ 209,416	\$ 255,952	\$ 145,212	\$ 177,482
Sutter	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896
Tehama	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896
Trinity	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896
Tulare	\$ 169,109	\$ 206,689	\$ 95,741	\$ 117,017
Tuolumne	\$ 170,114	None	\$ 155,014	None
Ventura	\$ 378,135	\$ 462,165	\$ 261,779	\$ 319,952
Yolo	\$ 214,255	\$ 261,867	\$ 198,429	\$ 242,525
Yuba	\$ 169,109	\$ 206,689	\$ 143,915	\$ 175,896

FREE RECORDING REQUESTED PURSUANT TO
GOVERNMENT CODE SECTION 27383

(For Recorder's Use Only)

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

California Housing Finance Agency
Homeownership Programs
Subordinate Loan Processing Unit
1121 L Street, 7th Floor
Sacramento, CA 95814

**PERMANENT DEED OF TRUST WITH ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(California Homebuyer's Downpayment Assistance Program)**

**NOTICE TO BORROWER
THIS DEED OF TRUST CONTAINS
PROVISIONS RESTRICTING ASSUMPTIONS**

This Deed of Trust is made on _____, 2 _____, by _____

_____, (the "Borrower") to the California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California, (the "Trustee") whose address is 1121 L Street, Suite 103, Sacramento, California, 95814 in favor of the California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California, as beneficiary, (the "Lender") whose address is 1121 L Street, Suite 103, Sacramento, California, 95814, and any successor or assigns.

1. BORROWER, IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST HEREIN CREATED HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, with power of sale and right of entry and possession, all of Borrower's right, title and interest now held or hereafter acquired in and to the following: (a) all of that certain real property (the "Property") located in the County of _____, State of California, described below as,

which property address is _____ which is incorporated herein by this reference; and (b) all buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with the Property, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property (all of which real and personal property are sometimes referred to as the "Property"); all of which are hereby pledged and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared to be part of the realty; provided, however, that furniture and other personal property of Borrower now or hereafter situated on said real property are not intended to be included as part of the Property.

2. BORROWER HEREBY ABSOLUTELY, UNCONDITIONALLY AND IRREVOCABLY ASSIGNS to Lender all rents, royalties, issues, accounts and profits of or relating to the Property. This assignment is absolute, primary and direct and is not intended to be a separate or secondary pledge, or other form of additional security, and no further act or step is or shall be required of Lender to perfect this assignment. This assignment shall not impose upon Lender any duty to cause the Property to produce rents nor shall Lender be deemed to be a mortgagee in possession by reason thereof for any purpose.

3. THE ABOVE GRANT, TRANSFER, AND ASSIGNMENTS ARE FOR THE PURPOSE OF SECURING:

Payment of the indebtedness evidenced by that certain promissory note of Borrower of even date herewith and titled "Promissory Note (*California Homebuyer's Downpayment Assistance Program*)" (the "Note") of Borrower in the face amount of _____ Dollars, (\$ _____), together with interest on such indebtedness according to the terms of the Note, and any and all amendments, modifications, extensions or renewals of the Note.

4. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, BORROWER AGREES:

4.1 *Maintenance of the Property.* (a) To keep the Property in a decent, safe, sanitary, tenantable condition and repair and permit no waste thereof; (b) not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable; (c) not to remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property; (d) to repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust; (e) to comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property; (f) not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without Lender's written consent; and (g) not to alter the use of all or any part of the Property without the prior written consent of Lender.

4.2 *Insurance.* To keep the Property insured, with loss payable to Lender, against loss or damage by fire and such other hazards, casualties and contingencies and by such companies, on such forms and in the amount of the replacement cost of the buildings or improvements on the Property, and to deliver the original of all such policies to Lender, together with receipts satisfactory to Lender evidencing payment of the premiums. All such policies shall provide that Lender shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to Lender, shall be delivered to Lender at least thirty (30) days prior to the expiration of existing policies. Neither Trustee nor Lender shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses.

4.3 *Payment of Taxes and Utility Charges.* To pay, at least ten (10) days prior to delinquency, all taxes and assessments, both general and special, fines, penalties, levies and charges of every type or nature levied upon or assessed against any part of the Property.

4.4 *Payment and Discharge of Liens.* Borrower shall pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof and will not at any time create or allow to exist any lien on the Property or any part thereof of any kind or nature other than this Deed of Trust; provided, however, that the following are excepted from this prohibition: (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien, and (b) such of the above claims as are, and only during the time they are, being contested by Borrower in good faith and by appropriate legal proceedings, and (c) such deeds of trust as are approved by Lender in writing. Borrower shall post security for the payment of these contested claims as may be requested by Lender. Borrower shall not default in the payment or performance of any obligation secured by a lien, mortgage or deed of trust which is superior to this Deed of Trust.

5. IT IS MUTUALLY AGREED THAT:

5.1 *Awards and Damages.* All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to Lender. Lender is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as Lender shall

determine at its option. Lender shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by Lender may be released to Borrower upon such conditions as Lender may impose for its disposition. Application of all or any part of the amounts collected and received by Lender or the release thereof shall not cure or waive any default under this Deed of Trust. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sum secured by this Deed of Trust.

5.2 *Prohibition on Transfer of Interests.* Borrower shall not make any sale, lease, conveyance of the Property in any form, or any part thereof or interest therein, without the prior written consent of Lender. Lender may decline to give such consent in its sole discretion.

5.3 *Repayment of loan.* The indebtedness secured by this deed of trust is a deferred payment obligation. The borrower shall repay to the Lender the principal, interest and any other amounts due under this Note on the earliest of the following occurrence:

- (a) When any senior note and deed of trust on the Property becomes due and payable;
- (b) When any senior note and deed of trust on the Property is paid in full;
- (c) When any senior note and deed of trust on the Property is refinanced;
- (d) When any senior note and deed of trust on the Property is assumed; or
- (e) In the event of any sale of the Property.

5.4 *Sale or Forbearance.* No sale of the Property, forbearances on the part of Lender or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Borrower either in whole or in part.

5.5 *Lender's Rights to Release.* Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) Lender may, at its sole discretion, (i) release any person now or hereafter liable for payment of any or all such indebtedness, (ii) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (iii) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of Lender, may reconvey all or any part of the Property, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any such agreement of extension or subordination.

5.6 *Reconveyance.* Upon written request of Lender stating that all sums and obligations secured hereby have been discharged, or otherwise as requested in writing by Lender, and upon surrender of this Deed of Trust and the Note and any additional loan notes to Trustee for cancellation, and upon payment to Trustee of its fees and expenses, Trustee shall reconvey, without warranty, the Property or that part thereof then held hereunder. The recitals in any reconveyance shall be conclusive proof of their truthfulness and the grantee in any such reconveyance may be described "as the person or persons legally entitled thereto." When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all of the rents, royalties, issues, accounts and profits of the Property to the person or persons legally entitled thereto unless such reconveyance expressly provides to the contrary.

6. EVENTS OF DEFAULT

6.1 *Events of Default.* Any one or more of the following events shall constitute a default under this Deed of Trust: (a) failure of Borrower to pay the indebtedness secured hereby or any installment thereof, whether principal, interest or otherwise, when and as the same become due and payable, whether at maturity or by acceleration or otherwise; or (b) failure of Borrower to observe or to perform any covenant, condition or agreement to be observed or performed by Borrower pursuant to the Note or this Deed of Trust; or (c) the occurrence of any event which, under the terms of the Note, shall entitle Lender to exercise the rights or remedies thereunder; or (d) the occurrence of any event of default under the terms of any superior note or deed of trust on the Property.

6.2 *Acceleration and Sale.*

(a) *Acceleration.* In the event of any default Lender, without demand on Borrower, may declare all sums hereby secured immediately due and payable by notice thereof to Borrower or by executing and recording or by causing Trustee to execute and record a notice of default and election to cause the Property to be sold to satisfy the obligations secured hereby or by the commencement of an appropriate action to foreclose this Deed of Trust or by any other appropriate manner;

(b) *Sale.* After delivery to Trustee of a notice of default and demand for sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower, Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or Lender, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied.

The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee, and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Note or otherwise, or representing advances made or costs or expenses paid or incurred by Lender under this Deed of Trust, or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured hereby, including interest as provided in this Deed of Trust, or any other instrument evidencing or securing any indebtedness hereby secured, in such order as Lender shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.

6.3 *Attorney's Fees.* If Trustee or Lender shall be made parties to or shall intervene in any action or proceeding affecting the Property or the title thereto or the interest of Trustee or Lender under this Deed of Trust, or if Lender employs an attorney to collect any or all of the indebtedness hereby secured or to foreclose this Deed of Trust, or authorizes Trustee to conduct trustee's sale proceedings hereunder, then Trustee and Lender shall be reimbursed by Borrower, immediately and without demand, for all reasonable costs, charges and attorney's fees incurred by them or either of them in any such case whether or not suit be commenced, and the same, together with interest thereon from the date of payment at the rate of ten percent (10%) per annum, shall be secured hereby as provided in paragraph 7.2(b).

6.4 *Exercise of Remedies; Delay.* No exercise of any right or remedy by Lender or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by Lender or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

6.5 *Trustee Substitution.* The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to Lender, to be exercised at any time hereafter, without specifying any reason therefor by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever Lender deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in the trust hereunder, with the like effect as if originally named as trustee or as one of the trustees.

6.6 *Remedies Cumulative.* No remedy herein contained or conferred upon Lender or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to Lender or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

7. MISCELLANEOUS PROVISIONS

7.1 *Successors, Assigns, Gender, Number.* The covenants and agreements herein contained shall bind, and the benefit and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

7.2 *Headings.* The headings are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

7.3 *Actions on Behalf of Lender.* Except as be otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by Lender is required or permitted under this Deed of Trust, such action shall be in writing.

7.4 *Terms.* The word "Lender" means the present Lender, or any future owner or holder, including pledgee, of the indebtedness secured hereby.

7.5 *Obligations of Borrower.* If more than one person has executed this Deed of Trust as "Borrower", the obligations of all such persons hereunder shall be joint and several.

7.6 *Severability.* If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

7.7 *Indemnification.* Borrower shall indemnify and hold Lender, its officers and agents harmless against any and all losses, claims, demands, penalties and liabilities which Lender, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against Lender, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower's expense, defend, indemnify, save and hold Lender, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Borrower shall pay Lender upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by Lender as a result of any legal action arising out of this Deed of Trust.

7.8 *HUD Insurance.* Notwithstanding any provision in this Deed of Trust to the contrary, in the event a purchase money deed of trust is insured by HUD, the provisions of said HUD deed of trust shall control to the extent that its provisions conflict with the provisions of this Deed of Trust.

7.9 *Subordination.* This Deed of Trust is subordinate to a Deed of Trust in a superior lien position securing the permanent financing of the property and recorded concurrently herewith.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above.

_____	_____
Borrower	Borrower
_____	_____
Borrower	Borrower
_____	_____
Borrower	Borrower

State of California
County of _____ S.S.

On _____ before me, _____, notary public
DATE NAME
in and for said County and State, personally appeared _____
NAME OF SIGNOR(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) executed the instrument.

Witness my hand and official seal

Signature _____

PROMISSORY NOTE
(California Homebuyer's Downpayment Assistance Program)

NOTICE TO BORROWER
THIS DOCUMENT CONTAINS PROVISIONS
PROHIBITING UNAUTHORIZED TRANSFERS SECURED BY A
DEED OF TRUST ON RESIDENTIAL PROPERTY

Property Address: _____

\$ _____, _____

FOR VALUE RECEIVED, the undersigned, _____, (the "Borrower") hereby promises to pay to the order of California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California, or holder, whose address is 1121 L Street, Suite 103, Sacramento, California, 95814, (the "Lender") as further provided herein, a principal amount equal to _____ Dollars, (\$ _____) with simple interest at the rate of three percent (3%) per annum on the unpaid principal balance from the date of this Note, until paid. The obligation of the Borrower with respect to this Promissory Note (the "Note") is secured by that certain deed of trust entitled "Permanent Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, (California Homebuyer's Downpayment Assistance Program)" (the "Deed of Trust"), and executed by the Borrower contemporaneously herewith.

1. *The Borrower's Obligation.* This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned to finance the purchase of that certain real property (the "Property") described in the Deed of Trust.

2. *Loan Not Assumable, Prohibition on Transfer of Interests.* The Borrower shall not make any sale of the Property in any form, or any part thereof or interest therein, without the prior written consent of the Lender. The Lender may decline to give such consent at the Lender's sole discretion.

3. *Owner Occupancy Representation.* At the time of the making of this Note, Borrower represents and warrants that he/she intends to occupy the property as his/her primary residence.

4. *Repayment of Loan Principal and Interest.* This is a deferred payment obligation. The Borrower shall repay to the Lender the principal, interest and any other amounts due under this Note on the earliest of the following occurrence:

- (1) When any senior note and deed of trust on the Property becomes due and payable;
- (2) When any senior note and deed of trust on the Property is paid in full;
- (3) When any senior note and deed of trust on the Property is refinanced;
- (4) When any senior note and deed of trust on the Property is assumed; or
- (5) In the event of any sale of the Property.

5. *Acceleration of Payment.* The principal amount of this Note, together with any then outstanding accrued interest thereon, shall become immediately due and payable upon the occurrence of any of the following events:

- (1) In the event of a default under the terms of this Note or the Deed of Trust securing this Note;
- (2) In the event of a default under the terms of any superior note or deed of trust on the Property.

6. *Place and Manner of Payment.* All amounts due and payable under this Note are payable at the principal office of the Lender set forth above, or at such other place or places as the Lender may designate to the Borrower in writing from time to time.

7. *Application of Payments.* All payments received on account of this Note shall be first applied to accrued interest, and the remainder shall be applied to the reduction of principal.

8. *Attorney's Fees.* The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.

9. *Default and Acceleration.* All covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note, and the Borrower agrees that the unpaid balance of the then principal amount of the Note, together with all accrued interest thereon and charges owing, at the option of the Lender, or if so provided in this Note or the Deed of Trust, shall automatically become immediately due and payable, and thereafter until paid bear interest at the rate of ten percent (10%) per annum, upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which, under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder.

10. *Notices.* Except as may be otherwise specifically provided herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and may be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from Lender.

11. *No Prohibition Against Prepayment.* The Borrower may prepay this Note at any time without penalty.

12. *Governing Law.* This Note shall be construed in accordance with and be governed by the laws of the State of California.

13. *Severability.* If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

14. *Time.* Time is of the essence in this Note.

15. *No Waiver by the Lender.* No waiver of any breach, default or failure of condition under the terms of this Note or the Deed of Trust shall be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of this Note, the Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

16. *Successors and Assigns.* The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

_____	_____
Borrower	Borrower
_____	_____
Borrower	Borrower
_____	_____
Borrower	Borrower

CHDAP REQUIRED DOCUMENTS FOR LOAN APPROVAL

The following documents are required to obtain CalHFA CHDAP conditional approval. The file should be submitted fastened together in the following order.

- Mortgage Submission Voucher - CHDAP Loan Registration Confirmation
- Uniform Underwriting and Transmittal Summary (FNMA form 1008) for conventional loans; or MCAW 4155.1 Worksheet for FHA insured loans; or VA Loan Analysis Form 26-6393 for VA guaranteed loans. All forms must be signed and approved by the delegated credit underwriter.
- URLA (Uniform Residential Loan Application) original or typed final signed by the applicants
- Credit Reports
- Verification of Employment, copies of paycheck stubs, W-2's, financial statements, social security award letters, etc.
- Completed copies of federal income tax returns (IRS 1040's) for the previous three tax years. IRS printouts with complete details that reflect either the standard deduction or itemized deductions may be substituted.
- IRS Form 4506 signed by the applicant. Lines 1 to 4 should be completed by the applicant, lines 5 through 12 should be left blank.
- Sales and Purchase Agreement, and/or Escrow Instructions
- Complete copy of the URAR (Uniform Residential Appraisal Report) Pictures, location map and sketch of floor plan
- Preliminary Title Report with Plat Map and address supplement; condominiums require a copy of the condominium plan.
- CalHFA Tax Return Affidavit of Non-filing, (required only if tax payer did not file tax returns)
- Initial CHDAP TIL Disclosure Statement

Note: If submitting a CHDAP junior mortgage loan file in conjunction with a CalHFA first mortgage loan, only one file is required. In that situation, the lender must include all of the standard documents as listed in the Program manual for the CalHFA first mortgage loan.